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Newsletter IBOR Reform 08/2021

Compilation by the Helaba IBOR Task Force

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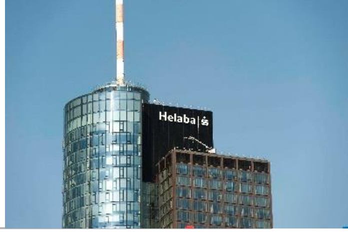
Foreword by Helaba IBOR Task Force



Ladies and Gentlemen,

Already at the end of this year, the first benchmarks will be replaced by new, risk-free overnight rates (RFR) within the framework of the IBOR reform. These include the EONIA and the GBP, USD, EUR, CHF and JPY LIBOR reference rates. However, most USD LIBOR rates can still be used for existing business until 30 June 2023. New business is to be concluded directly on RFR basis or, if applicable, with rate switch.

We are observing that the market is slowly gaining momentum - be it in the number of refinancings and new business concluded directly on an RFR basis, in the conversion of legacy contracts, or also in the exchange between customers and banks in order to implement the upcoming issues in the best possible way. Market participants still have a lot to accomplish by the end of the year. Numerous (also EONIA) contracts still need to be adjusted. We would like to encourage everyone, where applicable, to work towards a timely transition.
Over the past few months, we have had numerous interesting and valuable discussions with many of you. In order to continue to support you closely in the changeover of reference interest rates, we would like to use this newsletter to provide you with an overview of current market developments.

Many of you are certainly following the development of the SOFR with great interest. Will there be a forward-looking term rate for the USD that can be widely used in the market after all?

Our August newsletter focuses on selected information and current developments since our May Newsletter that we consider worthy of highlighting. Our compilations do not claim to be exhaustive. Due to the continuous flow of information - what is new today may soon be outdated - we are also very happy to be at your disposal for a personal exchange to discuss the latest information and market practices with you and to continue to support you and your companies in the transition to the new reference rates.

In case of any questions please do not hesitate to contact either your relationship manager or send an e-mail to us at ibor-reform@helaba.com.

Highlights since May 2021 – EONIA / EURIBOR / EUR-LIBOR (1/2)

- On 24 June 2021 the European Commission, the European Central Bank in its banking supervisory capacity (ECB Banking Supervision), the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA) issued a joint statement in which they strongly encouraged market participants to use the time remaining until the cessation or loss of representativeness of USD LIBOR, GBP LIBOR, JPY LIBOR, CHF LIBOR and EUR LIBOR to substantially reduce their exposures to these reference rates.

  "In order to achieve this result, the following actions are strongly encouraged:
  - *stop using the 35 LIBOR settings, including USD LIBOR, as a reference rate in new contracts as soon as practicable and in any event by 31 December 2021;*
  - *limit the use of any LIBOR setting published under a changed methodology (also known as "synthetic" LIBOR) only to contracts that are particularly difficult to amend ahead of LIBOR's cessation (commonly referred to as "tough legacy"); and*
  - *include robust fallback clauses nominating alternative rates in all contracts referencing LIBOR.*

  The European Commission, ESMA, ECB Banking Supervision and EBA will continue to closely monitor the situation and LIBOR exposures."

  https://www.esma.europa.eu/sites/default/files/library/joint_public_statement_usd_libor.pdf

- At the instigation of the DSGV, the leading European associations reacted to this statement with a joint letter. In this letter, the importance of legislative action for the reference values EONIA and LIBOR was emphasised.

- On 15 July 2021, the Chairman of the EUR Risk Free Rates Working Group (RFRWG) indicated in a letter to the European Commission, that, despite the market's implementation efforts, there are significant timing issues with the transition from EONIA to €STR. Therefore, the establishment of a statutory replacement rate for the EONIA has been proposed to the European Commission as part of a comprehensive solution for spot and derivatives products.

Highlights since May 2021 – EONIA / EURIBOR / EUR-LIBOR (2/2)

In its “Recommendations on the EONIA to €STR legal action plan” dd. 14 March 2019, the RFRWG had recommended that:

- (1) the primary objective of market participants should be to actively transition EONIA exposures to €STR flat; and
- (2) a robust fallback to €STR + 8.5 basis points should be incorporated into new and legacy contracts that continued to reference EONIA.

- On 3 August 2021, the EU Commission opened a consultation procedure for a draft Commission Implementing Regulation (EU) on the EONIA:
  - Scope: All contracts and financial instruments without an EONIA adjustment provision
  - Substitution of the EONIA by €STR plus an adjustment spread of 8.5 basis points
  - Entry into force of the implementing act as of 3 January 2022

- On 29 July 2021, the European Securities and Markets Authority (ESMA) clarified that supervised entities in the EU can continue to use benchmarks provided by public authorities located in third countries also after the end of the transitional period applicable to third country benchmarks where those public authorities meet the relevant definition and conditions set out in the Benchmark Regulation.

- EURIBOR Fallback clauses
  - The (reformed) EURIBOR can continue to be used as a "forward-looking" reference rate beyond 31 December 2021 and until further notice.
  - Nevertheless, contracts must determine fallback solutions that would take effect if EURIBOR were to be permanently discontinued as a reference value. Currently, these are mostly abstract / flexible fallback descriptions.
  - Concrete recommendations for the contractual implementation of fallback clauses based on €STR are being discussed and are expected for the second half of 2021.

Highlights since May 2021 – GBP LIBOR (1/4)

- Transition from GBP LIBOR to SONIA continues with new GBP-linked loans, bonds, securitisations and linear derivatives with maturities beyond the end of 2021 directly starting on SONIA basis.

- Legacy GBP LIBOR contracts, where possible, are being amended until the end of Q3 2021 to include at least a contractually robust fallback (or, preferably, an agreed on transition to a robust alternative reference rate).

- As a result of a consultation conducted, the Working Group on Sterling Risk Free Reference Rates (RFRWG) published a recommendation in May for a fallback rate on GBP LIBOR Legacy Bonds. The recommended fallback rate is the Compounded SONIA In-Arrears interest rate. This is consistent with the RFRWG's expectation for the overall market. No recommendations were made for other parameters of the new Risk Free Reference Rate (e.g. observation lag or shift).

  https://www.bankofengland.co.uk/-/media/boe/files/markets/benchmarks/rfr/wgrfr-statement-recommendation-of-successor-rate.pdf?la=en&hash=5491E9E2817DE7611DA14381398C7B365734C552

- Following the Financial Conduct Authority's (FCA) announcement to discontinue GBP LIBOR as of the end of 2021, the ICE Benchmark Administration (IBA) anticipates that sufficient input data - i.e., transactions of GBP LIBOR based derivatives - will not be available to calculate GBP LIBOR based ICE swap rates (ISRs) beyond the end of 2021. Results of an IBA consultation on discontinuing the publication of GBP LIBOR based ISRs as of 31 December 2021, which ran through 4 June 2021, are still pending. The IBA has indicated it will consult in due course on discontinuing publication of USD LIBOR based derivatives, as analogous implications are expected with termination of USD LIBOR as of 30 June 2023.

  https://ir.theice.com/press/news-details/2021/ICE-Benchmark-Administration-Consults-on-Potential-Cessation-of-ICE-Swap-Rate-based-on-GBP-LIBOR/default.aspx

Highlights since May 2021 – GBP LIBOR (2/4)

- Ceasing initiation during Q2/Q3 2021 of new cross-currency derivatives with a LIBOR-linked GBP leg maturing after 2021 (except for risk management of existing positions) is a key milestone recommended by the RFRWG. As set out in a "Dear CEO" letter, both the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA) expect regulated firms to meet the Working Group's milestones and also to adopt RFRs in non GBP LIBOR currencies. This includes ceasing of new USD LIBOR transactions as soon as practicable and no later than the end of 2021, in line with the supervisory guidance issued by the US authorities.

- Following the formal recommendation by the U.S. Commodity Futures Trading Commission's (CFTC) Market Risk Advisory Committee (MRAC) on 13 July 2021 for a series of "SOFR First" initiatives in USD markets, the FCA and Bank of England (BoE) encouraged UK market participants on 21 July 2021 to support the US-led initiative. "SOFR First" provides for the introduction of new quotation conventions as of 26 July 2021 for interdealer trading based on risk-free rates (RFRs) instead of LIBOR. FCA and BoE have also engaged with authorities in other LIBOR countries to build the necessary consensus for the subsequent cross-currency swaps initiative in September 2021. This is intended to facilitate a further shift of market liquidity toward RFRs, which will benefit a wide range of users as they move away from LIBOR.

  https://www.fca.org.uk/news/statements/fca-bank-england-encourage-market-participants-switch-rfrs-libor-cross-currency-swaps-market-21-september

  In consideration of the above, the FCA has engaged with UK market participants, including interdealer brokers (IDBs) and liquidity providers, to determine support for a change in the quoting conventions of LIBOR cross-currency swaps in the interdealer market on the proposed date of 21 September 2021.

  An FCA survey of UK market participants identified strong support for a change in the interdealer quoting convention, which would see RFRs rather than LIBOR become the default price from 21 September 2021.

Highlights since May 2021 – GBP LIBOR (3/4)

- In a consultation paper on the clearing of obligations under EMIR, the BoE had published a proposal on 20 May 2021 to phase out the clearing obligation for newly concluded contracts of standardised derivative classes referencing GBP LIBOR, EONIA and JPY LIBOR. Instead, SONIA or €STR referencing contracts will be included in the clearing obligation, whereas no new JPY instruments will be included in the clearing obligation yet. For the adjustment, key dates between 18 October 2021 and 20 December 2021 are advised, depending on the benchmark. The BoE requested feedback on these dates as well as the adjustment process as a whole by 14 July 2021. A corresponding evaluation is expected.

  https://www.bankofengland.co.uk/paper/2021/derivatives-clearing-obligation-modifications-to-reflect-interest-rate-benchmark-reform-amendments

- On 24 June 2021 the FCA started a consultation (running until 27 August 2021) to require, under the Benchmark Regulation powers of section 23D(2), that 1M, 3M and 6M GBP and JPY LIBOR rates be determined using a revised methodology (i.e. based on a "synthetic" LIBOR) after the end of 2021. The synthetic GBP and JPY LIBOR rates would be calculated using a forward-looking term version of the relevant risk-free rates SONIA and TONA together with the fixed ISDA spread adjustments published on 5 March 2021 by Bloomberg, which are being used in the derivatives and loan business.

  Refinitiv and IBA both provide forward-looking Term SONIA Reference Rates (TSRRs) that are benchmark reform conform. While the FCA considers both TSSRs suitable for limited usage (as identified by the Working Group) in certain niche parts of the cash market and recommends their publication, the TSRR provided by IBA was selected as a component for the specific purpose of a potential synthetic sterling LIBOR.

Highlights since May 2021 – GBP LIBOR (4/4)

The component for a potential synthetic JPY LIBOR is the Tokyo Term Risk Free Rate (TORF), the only forward-looking term RFR for JYP. The rate provided by QUICK Benchmarks Inc. is recommended by the Japanese Cross-Industry Committee to help transition in the cash market.

A consultation on the scope of use closed on 17 June 2021 and the FCA intends to consult further in Q3 2021 on a proposed decision on precisely what legacy use to allow for any synthetic GBP and JPY LIBOR rates.

- The FCA intends to confirm its final decisions as soon as practicable in Q4 2021 and reminds market participants that any synthetic LIBOR will be time limited and is intended as a safety-net only for contracts that cannot transition. The FCA once again encourages market participants to continue active transition away from LIBOR wherever practicable and in line with relevant industry milestones, and not to delay their plans by waiting for a potential "synthetic" solution. With a large number of contracts still to be converted, any delay could lead to an administrative and operational backlog.

  https://www.fca.org.uk/news/statements/fca-consults-proposed-decision-require-synthetic-libor-6-sterling-and-japanese-yen-settings

- The FICC (fixed income, currencies and commodities) Markets Standards Board (composed of renowned international groups and institutions of the financial industry) confirmed on 28 July 2021 that the use of SONIA term rates should remain limited to special transactions.

  https://fmsb.com/wp-content/uploads/2021/07/Standard-on-use-of-Term-SONIA-reference-rates_FINAL.pdf

Highlights since May 2021 – USD LIBOR (1/5)

- "SOFR-First" Conversion Initiative
  - The Commodity Futures Trading Commission (CFTC) recommended converting trading conventions for linear USD interest rate swaps in the interdealer market from LIBOR to SOFR effective 26 July 2021. The change will make SOFR the primary source of reference and basis for calculating price quotes and swap curves. This will eliminate the previous indirect referencing of quotes to LIBOR swap rates adjusted for the LIBOR-SOFR basis. The transition from LIBOR to SOFR is accelerated by this best practice recommendation.
  - USD LIBOR swaps are published for information purposes on a transitional basis until their final discontinuation on 22 October 2021. Other (non-linear) derivatives to be addressed in H2 2021.
  - The "SOFR-First" initiative also receives support from the British banking regulator. Market participants in the interdealer US swap market are encouraged to gear up for the transition of market conventions of (linear) USD interest rate swaps from USD LIBOR to SOFR.

- SOFR for recommending a forward-looking SOFR term rate completed
  - On 6 May 2021, the Alternative Reference Rates Committee (ARRC) established principles and relevant market indicators for recommending a forward-looking term rate. CME Group was also identified as a suitable administrator of the SOFR Term Rates.
  - On 21 May 2021, the ARRC announced that it would recommend CME Group as the administrator for a forward-looking SOFR Term Rate once the relevant market indicators were sufficiently given.
  - On 26 July 2021, the ARRC welcomed the "SOFR-First" convention switch and indicated that it expected that the market indicators for a SOFR Term Rate would be met through the convention change and that it could subsequently make a formal recommendation for CME SOFR Term Rates.

  https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Press_Release_Convention_Switch_Update.pdf

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Highlights since May 2021 – USD LIBOR (2/5)

- SOFR Term Rate - Formal recommendation is a major milestone in the transition away from USD LIBOR

  Following the successful "SOFR First" convention change, and in view of the continued growth in SOFR cash and derivatives markets, the ARRC formally recommended SOFR Term Rates on 29 July 2021. The SOFR Term Rates, administrated by CME Group, are consistent with the principles and indicators established by the ARRC. They provide market participants with an essential transition tool and mark the completion of the Paced Transition Plan that the ARRC outlined in 2017 and has been working toward since.

- SOFR Term Rate - Best Practices Recommendation for possible fields of application
  - On 21 July 2021, the ARRC published best practices regarding possible fields of application for a SOFR Term Rate.

    https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/ARRC_Scope_of_Use.pdf

  - Recommended best practices for the use of the SOFR term rate in new contracts:
    - → For new contracts, the ARRC continues to recommend the use of SOFR for all products and, as a general rule, the use of Overnight SOFR and SOFR Average rates due to their robustness, particularly in markets where these rates can be used successfully (e.g., floating rate debt, consumer products, etc.). The ARRC also recommends the use of Overnight SOFR and SOFR Average rates for overnight transactions when a party wishes to hedge in the most efficient and transparent manner. For areas where the use of Overnight SOFR and SOFR Average rates has proven difficult, like the business loans market, the ARRC also supports the use of the SOFR Term Rate.
    - → What is new is that the ARRC supports the use of the SOFR term rates not only for trade finance but also for multi-lender facilities and middle market loans, among others. This means that alternative forward-looking rates (SOFR Averages and SOFR Term Rates) are now available – at least to some extent - for bilateral and syndicated loans.

Highlights since May 2021 – USD LIBOR (3/5)

→ For the vast majority of derivatives markets, the ARRC does not support the use of the SOFR Term Rate. However, the use of SOFR Term Rates in end-user facing derivatives that hedge cash instruments linked to the Term Rates, and certain securitisations with underlying assets that are themselves tied to SOFR Term Rates, is supported.

- Recommended best practices for the use of the SOFR Term Rate in legacy contracts that have adopted the ARRC fallback language:

→ To mitigate the risk of a severe market disruption when LIBOR can no longer be used, the ARRC had recommended a forward-looking SOFR-based term rate for USD LIBOR-based floating rate contracts as the first step in the fallback waterfall.

→ Accordingly, under the current formal SOFR Term Rate recommendation, legacy contracts that have adopted the ARRC's fallback language without modification to the rate waterfall will, if the relevant tenor exists, fall back to the SOFR Term Rate once the contractual LIBOR replacement date occurs.

→ Pursuant to legislation recently enacted by the State of New York, LIBOR-based instruments governed by New York law that do not have effective fallback options will revert to the applicable SOFR-based rate recommended by the ARRC, the Federal Reserve Board or the Federal Reserve Bank of New York. The ARRC expects to make legislative recommendations consistent with its existing recommended fallback provisions.

Highlights since May 2021 – USD LIBOR (4/5)

- SOFR Term Rate - Significance for the ongoing conversion process of loans and derivatives:
  - For a long time, it had looked as if there would at best be a SOFR Term Rate for those transaction types where a backward looking rate could not be used.
  - Now that the market (and of course we at Helaba) have been working intensively for many months on the technical and contractual conversion to the backward-looking risk free rates recommended by the working groups and supervisory authorities, the new ARRC information that SOFR Term Rate might be applied to bilateral and syndicated credit facilities – at least to some extent - must first be processed and evaluated by all market participants.
  - A broader use of forward-looking SOFR Term Rates with interest rate fixing and interest amount determination at the beginning of the term would be easier to handle for customers and banks, providing borrowers with more of a long-term view on their expected cost of funds. Market participants observe that from a returns perspective, borrowers and issuers will face very little difference in the cost between forward-looking rate and a rate calculated in arrears.
  - As always, each market participant must independently evaluate and decide whether or to what extent to adopt the ARCC recommendations. However, the decisive factor will be in which direction the market trend develops with regard to the use of Overnight SOFR, SOFR Average and SOFR Term Rates and what this means specifically for hedging loans. This will only become clear in the coming months.
  - Those who do not have an urgent requirement to convert their USD business might be well advised to currently wait and see how the market develops. Except for the 1W and 2M USD LIBOR rates, the remaining USD LIBOR rates will continue to be published until 30 June 2023 and can still be used for existing business. Closing directly on RFR basis will apply to new USD business from 1 January 2022. Some borrowers may have multicurrency facilities, which may feature references to benchmarks other than USD LIBOR (e.g. GBP/CHF/JPY LIBOR and/or EONIA). Plans and timing for transition of these facilities will need to take into account the circumstances and cessation deadlines of each benchmark involved.

As before, we will keep you informed about further developments. In case of specific inquiries, you are very welcome to involve us via your contact partners and ask for our latest market assessment.

Highlights since May 2021 – USD LIBOR (5/5)

- US federal government organisations, like the Financial Stability Oversight Council (FSOC) and the Federal Housing Finance Agency, discussed in recent weeks the importance of accelerating the transition from LIBOR and using sufficiently robust reference rates—like the ARRC-recommended SOFR—for derivatives and capital markets products.

- While SOFR is the chosen successor to USD LIBOR, other rates have emerged in the United States as potential alternatives:

  - On 22 June 2021 the American Financial Exchange (AFX) launched the AMERIBOR (American Interbank Offered Rate), a forward-looking term rate calculated daily as the transaction volume-weighted average interest rate of the AMERIBOR overnight unsecured loans on AFX. The regulated rate meets all the criteria set up by the International Organization of Securities Commissions (IOSCO) for a criterial benchmark. The AMERIBOR is available with tenors of O/N, 1W, 1M, 3M, 6M, 1Y, 2Y and was set up as an alternative to USD LIBOR and SOFR to serve the requirements of thousands of banks across the United States. These banks do not borrow at either USD LIBOR or SOFR rates to fund their balance sheets and require a separate benchmark that reflects their actual borrowing costs.
  - Another alternative rate is the Bloomberg Short Term Bank Yield Index (BSBY), which launched in January 2021 and is based on actual transactions and executable quotes. The index is available for 5 tenors: overnight, 1M, 3M, 6M and 12M. BSBY is regarded by the SEC as having many similar weaknesses to LIBOR.
  - The ICE Benchmark Administration introduced its own forward-looking Bank Yield Index as a potential replacement to USD LIBOR. Like BSBY and AMERIBOR, it incorporates banks' credit risk while SOFR does not.
  - While the market welcomes alternatives to backward-looking SOFR, regulators prefer SOFR because it is underpinned by some USD 1 trillion of daily trading, thereby insulating it from the type of corruption that tarnished LIBOR.

Highlights since May 2021 – CHF LIBOR (1/2)

- As a result of the announcement by the UK Financial Conduct Authority (FCA) on 5 March 2021, among other things, to discontinue CHF reference interest rates on 31 December 2021 (there will be no synthetic rate for CHF LIBOR), the EU Commission has initiated a consultation procedure in the context of which it is examining whether, with regard to CHF LIBOR with a three-month maturity, the factual prerequisites for the first-time use of the statutory replacement mechanism of the Benchmark Regulation are met.

- The German banking industry also participated in the consultation process and expressly welcomes the initiative of the EU Commission to replace the 3M CHF LIBOR with the 3M SARON compounded interest rate plus a spread of 0.31 basis points.

- The SARON compounded over three months is also to be used in the future as the reference interest rate when calculating the maximum interest rate for consumer loans. On 1 July 2021, the amendment to the Consumer Credit Ordinance approved by the Federal Council on 19 May 2021 came into force.

- The National Working Group on Swiss Franc Reference Rates (NWG) made the following recommendations, among others, after its meeting on 1 July 2021:
  - If the compounded SARON needs to be known in advance (e.g., for intercompany loans, trade finance, and fallback clauses), the “Last Recent” option is also to be considered - in addition to the “Last Reset” option - and the SARON 1M Compound Rate.
  - Fallback clauses are just a "safety belt", best to switch bilateral and cleared derivatives ahead of year-end 2021.
  - Start dates for using only SARON as the single price reference and benchmark in derivatives markets (SARON First).

  https://www.snb.ch/n/mmr/reference/minutes_20210701/source/minutes_20210701.n.pdf

Highlights since May 2021 – CHF LIBOR (2/2)

- On 3 August 2021, the EU Commission opened a consultation procedure for a draft implementing act for the CHF:
  - Scope: All contracts and financial instruments that do not contain relevant fallback provisions.
  - 1M, 3M, 6M, 12M CHF LIBOR will be replaced by 1M, 3M, 6M, 12M Compounded SARON ("last reset" methodology)
  - Statutory fixing of the spread adjustment for all maturities (use of spreads published by Bloomberg on 5 March 2021)
  - Entry into force of the implementing act as of 1 January 2022
  - Possibility of individual contractual deviation stipulated

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Highlights since May 2021 – ISDA (1/2)

- The updated and enhanced "2021 ISDA Interest Rate Derivatives Definitions" will replace the "2006 ISDA Definitions and Supplements" as the standard directory for interest rate derivatives. The new digital directory of the International Swaps and Derivatives Association (ISDA) will be made available on the first weekend of October 2021 on a web-based user platform ("MyLibrary") together with the 2002 ISDA Master Agreement and can be used from 04 October 2021.

- For better transparency, updates will in future be implemented via completely new directory versions instead of separately published supplements and made available via the platform. The 2006 definitions will persist, but will not be updated as of October 2021.

- Central clearing houses and trading venues will adapt their procedural rules according to the new definitions. Clearing, including of transactions based on the 2006 definitions, will be based on the market practices of the 2021 definitions in the future.

- Additions to the content include the transfer of the narrative format of variable interest rate options to a matrix format in order to optimise (technical) processing, as well as the introduction of a generic framework for deriving fallbacks and adjustments.

  https://www.isda.org/a/apzTE/Introduction-to-the-2021-ISDA-Interest-Rate-Derivatives-Definitions-Update.pdf

- On 23 July 2021, ISDA announced that the results of its consultation on the introduction of fallback provisions for the GBP LIBOR ICE swap rate and the USD LIBOR ICE swap rate indicate that a clear majority of respondents agree with the fallback provisions included in the draft amendments attached to the consultation. An analysis of the consultation results will be available in the coming weeks.

  https://www.isda.org/a/TzDgE/Consultation-on-GBP-and-USD-ISR-Fallbacks-Final.pdf

Highlights since May 2021 – ISDA (2/2)

- This will be followed, as soon as practicable, by finalisation of the amendments to implement fallbacks for the GBP LIBOR ICE swap rate. Similarly, once a SOFR swap rate is published in a form that can be referenced in financial instruments, ISDA will finalise the amendments to implement fallbacks for the USD LIBOR ICE swap rate.

- On 19 July 2021, ISDA published the microsite "Understanding IBOR Benchmark Fallbacks" on its redesigned "Benchmark Reform and Transition from LIBOR" InfoHub. The microsite was developed in collaboration with The Brattle Group and provides background information on key interbank offered rate fallbacks.

  https://www.isda.org/2020/05/11/benchmark-reform-and-transition-from-libor/

  https://www.isda.org/2020/06/02/factsheet-understanding-ibor-benchmark-fallbacks/

Selected IBOR Benchmarks and their RFR replacements (1/3)

	Currency	IBOR Benchmark	RFR/ARR	Secured/ unsecured	Administrator	Comments / Cessation Dates (if any)
	EUR	EURIBOR	Hybrid EURIBOR	unsecured	ECB	Continued application of reformed EURIBOR **After 31 December 2021:** Cessation of EONIA and all EUR LIBOR rates Multiple rate approach of EURIBOR and €STR
		EONIA	€STR (EUR Short Term Rate)	unsecured		
		EUR LIBOR				
	GBP	GBP LIBOR	SONIA (Revised Sterling Overnight Index Average)	unsecured	Bank of England	**31 December 2021:** All GBP LIBOR rates will end as panel-based representative rates **After 31 December 2021:** 1/3/6M GBP LIBOR may be published as non-representative synthetic rates for a period yet to be clearly defined
	USD	USD LIBOR	SOFR (Secured Overnight Financing Rate)	secured	Federal Reserve Bank of New York (FRBNY)	**31 December 2021:** End of 1W, 2M USD LIBOR **30 June 2023:** End of remaining USD LIBOR rates, permanent end of publication of O/N and 12M USD LIBOR **After 30 June 2023:** Maybe publication of non-representative synthetic 1/3/6M USD LIBOR
	CHF	CHF LIBOR	SARON (Swiss Average Rate Overnight)	secured	Swiss National Bank (SNB) + SIX Swiss Exchange	**31 December 2021:** End of all CHF LIBOR rates
	JPY	JPY LIBOR	TONA (Tokyo Overnight Average Rate)	unsecured	Bank of Japan	**31 December 2021:** All JPY LIBOR rates will end as panel-based representative rates **After 31 December 2021:** 1/3/6M JPY LIBOR may be published as non-representative synthetic rates for a period yet to be clearly defined Multiple rate approach: TIBOR reforms should ensure that TIBOR can continue to be used alongside TONA.
		JPY TIBOR				
		EUROYEN TIBOR				

Sources: Central Banks, Benchmark Regulators, Financial Markets

Selected IBOR Benchmarks and their RFR replacements (2/3)

Jurisdiction	Currency	IBOR Benchmark	RFR/ARR	Secured/ unsecured	Administrator	Comments / Cessation Dates (if any)
	DKK	CIBOR	DESTR (Denmark Short-Term Rate)	unsecured	Danmarks Nationalbank	CIBOR not considered a critical benchmark, DESTR to be launched in early 2022 after test period in 2021
	SEK	STIBOR	SWESTR (Swedisch Krona Short Term Rate)	unsecured	Riksbank	SWESTR can be used in financial contracts as of 2 September 2021 and can thereby replace STIBOR, on the shortest maturity. Publication of average rates and index for SWESTR as of 1 October 2021. Riksbank recommends market participants to transition to using SWESTR in the near term.
	NOK	NIBOR	NOWA (Norwegian O/N Weighted Average)	unsecured	Norges Bank	No indication that NIBOR will cease, NOWA and NIBOR likely to be used in parallel as reference rates
	CZK	PRIBOR	To be identified (existing CZEONIA (CZEch OverNight Index Average))	unsecured	Czech Financial Benchmark Facility	Revised calculation methodology, no discontinuation foreseen
	HUF	BUBOR	To be identified (existing HUFONIA (Hungarian Forint Overnight Index Average))	unsecured	Central Bank of Hungary	BUBOR has been reformed, no discontinuation foreseen
	PLN	WIBOR	To be identified (existing WIBON (Warsaw Index based on Overnight))	unsecured	GPW Benchmark	WIBOR has been reformed, no discontinuation foreseen

Sources: Central Banks, Benchmark Regulators, Financial Markets

Selected IBOR Benchmarks and their RFR replacements (3/3)

Jurisdiction	Currency	IBOR Benchmark	RFR/ARR	Secured/ unsecured	Administrator	Comments / Cessation Dates (if any)
	CAD	CDOR	Enhanced CORRA (Canadian O/N Repo Rate Average)	secured	Bank of Canada	Multiple rate approach with CDOR and CORRA co-existing as interest rate benchmarks. The calculation and publication of the 6M and 12M CDOR tenors ceased on 17 May 2021. The 1M, 2M and 3M tenors are not affected.
	HKD	HIBOR	HONIA (Hong Kong Overnight Index Average)	unsecured	Treasury Markets Association	HIBOR has been subject to a number of reforms. Multiple rate approach with HIBOR to continue alongside HONIA.
	SDG	SIBOR (Singapore Interbank Offered Rate)	Reformed SIBOR	unsecured	ABS Benchmarks Administration	The last day of publication for the 12M SIBOR was on 31 December 2020 due to low market usage and the lack of underlying transactions underpinning this benchmark tenor. 6M SIBOR will be discontinued effective from 1 April 2022, the last day of its publication being 31 March 2022. The 1M and 3M SIBOR are planned to be discontinued by end-2024. Given the March 2021 ICE Benchmark Administration's announcement, which would result in SOR discontinuation only in mid-2023, ABS has updated the methodological fallback for 6M SOR effective 1 April 2022 to remove reliance on 6M SIBOR to allow 6M SIBOR to be discontinued separately from 6M SOR.
		SOR (Swap Offer Rate)	SORA (Singapore Overnight Rate Average)	unsecured	The Monetary Authority of Singapore	

Sources: Central Banks, Benchmark Regulators, Financial Markets

Useful sources of information for current developments

For latest information as well as general details on the transition from IBORs, please also refer to information published by supervisory authorities, working groups and other industry organisations. A selection of the most important websites can be found here:

	€STR: European Central Bank EURIBOR: Emmi Working Group on Euro Risk-Free Rates
	Bank of England Financial Conduct Authority
	Federal Reserve Bank of New York The Alternative Reference Rates Committee (ARRC)
	SIX Swiss Exchange National Working Group on Swiss Franc Reference Rates (SNB)
	Bank of Japan Cross-Industry Committee on Japanese Yen Interest Rates Benchmarks
	ISDA Loan Market Association (LMA) LSTA

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